

COUNCIL ON HUMAN SERVICES

MINUTES

September 10 and 11, 2013

COUNCIL

Mark Anderson
Phyllis Hansell
Arnie Honkamp
Mark Peltan
Guy Richardson
Roberta Yoder
Kim Spading (absent)

EX-OFFICIO MEMBERS

Representative Joel Fry
Representative Lisa Heddens (absent)
Senator Amanda Ragan (absent)
Senator Jack Whitver (absent)

STAFF

Chuck Palmer
Amy McCoy
Jen Harbison
Vicky Wiedemeier
Lindsay Buechel
Brad Neuwig
Jody Lane-Molnari
Kathy Blume

Sally Titus
Nancy Freudenberg
Vern Armstrong
Jennifer Vermeer
Lorrie Tritch
Nancy Mohlis
Lanny Nihart
Bob Krebs

Jean Slaybaugh
Carol Eaton
Paul Scavo
Wendy Rickman
Joe Havig
Diane Barrett
Lee Hill
Linda Miller

GUESTS

Dennis Tibben, Iowa Medical Society
Sandi Hurtado-Peters, Department of Management
Aaron Todd, Senate Democrat Staff
Josh Bronsink, Senate Republican Staff
Marynelle Trefz, CFPC
Sara Vanderpool, Iowa Hospital Association
Tom Fey, Iowa Podiatric Medical Society
Susan Zalenski, Johnson and Johnson
Carrie Kobrinetz, House Republican Caucus
Clark Kauffman, DM Register

CALL TO ORDER

Mark Peltan, Chair, called the Council meeting to order at 9:00 a.m. on Tuesday, September 10, 2013, in the first floor conference rooms of the Hoover Building.

ROLL CALL

All Council members were present with the exception of Spading. Representative Joel Fry was present as well. Ex-officio legislative members; Representative Heddens, Senators Whitver and Ragan were absent.

DIRECTOR'S COMMENTS

Director Palmer said this budget is the second year of the biennium. The Department serves almost one million people a year with a total operating budget of approximately \$6.3 billion (\$1.8 billion in general funds.) This request is approximately \$45 million or 2.5% over the Governor's recommendation for SFY15.

Palmer thanked staff who have worked since June to develop this budget. He spoke about a number of factors that drive this budget with a big piece being the loss of approximately \$38 million in federal funds. He noted there is only about a one-percent increase in growth in the Medicaid program which is very low.

Palmer advised this budget does begin to take into account the Medicaid Health and Wellness Plan. A major discussion area will be the impact of the "woodwork" effect.

BUDGET OVERVIEW

Jean Slaybaugh, Chief Financial Officer, provided an overview of the budget to Council. She said there are many different funding sources as well as different moving parts that affect this budget and it takes quite a bit of effort to put it together. She acknowledged DHS staff that were instrumental in the development.

Slaybaugh informed Council of the funding sources of the Department as well as the programmatic breakdown of funds. She also reviewed the statistical charts outlining the clients that are served. A majority of the budget, 85 cents of every dollar, is spent on health programs. The next two highest areas, approximately \$300 million each, are Safety, Permanency, and Well-Being for Iowa's Children and also Employment and Economic Security. She noted that a very nominal portion of the budget (6%) goes towards salaries which includes salaries at the facilities, child support, as well as general administration and field staff.

Slaybaugh also advised Council of the I-3 distribution (accounting system or financial management system for the state) that will be seen throughout the budget. In addition, she also provided clarification on the Medical Assistance appropriation specifically speaking to mental health redesign and tobacco tax.

FY 2015 BUDGET PRESENTATIONS

Lengthy staff presentations were provided to the Council on each section of the twenty-seven (27) appropriation requests. The presentations provided an overview of the agency's work with nearly 965,000 Iowans who benefit from the programs and services administered by DHS. The budget recommendations are on file in the Director's Office.

The following appropriations were discussed in detail:

IMPROVE IOWANS' HEALTH STATUS

Medical Assistance (Jennifer Vermeer)
Medical Contracts (Jennifer Vermeer)
Children's Health Insurance Program (Jennifer Vermeer)
Health and Wellness Plan (Jennifer Vermeer)
State Supplementary Assistance (Wendy Rickman)

PROMOTE IOWANS' BEHAVIORAL & DISABILITIES HEALTH STATUS

Cherokee Mental Health Institute (Rick Shults)
Clarinda Mental Health Institute (Rick Shults)
Independence Mental Health Institute (Rick Shults)
Mt. Pleasant Mental Health Institute (Rick Shults)
Glenwood Resource Center (Rick Shults)
Woodward Resource Center (Rick Shults)
Conner Training (Rick Shults)
Civil Commitment Unit for Sexual Offenders (Rick Shults)
State Payment Program (Rick Shults)
Eldora Training School (Rick Shults)
Toledo Juvenile Home (Rick Shults)

IMPROVE SAFETY, WELL-BEING AND PERMANENCY FOR IOWA'S CHILDREN

Child Abuse Prevention (Wendy Rickman)
Adoption Subsidy (Wendy Rickman)
Child and Family Services (Wendy Rickman)
Family Support Programs (Wendy Rickman)

IMPROVE IOWANS' EMPLOYMENT AND ECONOMIC SECURITY

Family Investment Program (Wendy Rickman)
Food Assistance (Wendy Rickman)
Child Care Assistance (Wendy Rickman)
Child Support Recovery (Vern Armstrong)

EFFECTIVELY MANAGE RESOURCES

Field Operations (Vern Armstrong)
Volunteers (Vern Armstrong)
General Administration (Jean Slaybaugh)

ALLOCATION OF SPECIFIC FEDERAL AND STATE FUNDS

Temporary Assistance to Needy Families (TANF) (Jean Slaybaugh)
Social Services Block Grant (SSBG) (Jean Slaybaugh)
Other State Funds (Jean Slaybaugh)

Council recessed at 4:40 pm and will reconvene tomorrow at 8:30 a.m.

WEDNESDAY, SEPTEMBER 11, 2013

Mark Peltan, Chair, called the Council meeting to order at 8:37 a.m., in the first floor conference rooms of the Hoover Building.

ROLL CALL

All Council members present with the exception of Spading. All ex-officio legislative members: Representatives Heddens and Fry, and Senators Ragan and Whitver were absent. Representative Fry arrived shortly after roll call at 8:45 a.m.

RULES

Nancy Freudenberg, Office of Policy Analysis and Appeals, presented the following rules. Council members asked clarification questions and responses were provided by staff.

1. Amendments to Chapters 77, 78, and 79, Medicaid. Transfers administrative responsibility for Medicaid habilitation to the contractor for the Iowa Plan for Behavioral Health.

Freudenberg said no comments were received and no revisions were made to the noticed rule.

A motion was made by Yoder to approve and seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

2. Amendments to Chapter 78, Medicaid. Excludes coverage of and payment for elective, non-medically necessary cesarean section (C-section) deliveries.

Freudenberg said no comments were received and no revisions were made to the noticed rule.

A motion was made by Hansell to approve and seconded by Anderson. MOTION UNANIMOUSLY CARRIED.

3. Amendments to Chapter 78, Medicaid. Adds a requirement for prior authorization for initial admission to or continued stay in a certified hospital "swingbed" for a member who no longer requires acute hospital care and who would otherwise meet a "nursing facility for skilled" level of care.

Freudenberg said 15 written comments were received as well as comments from the Iowa Hospital Association (IHA) speaking on behalf of Iowa's 118 community hospitals. Freudenberg said as a result of the comments, DHS staff met with leadership of the IHA and revisions were made to the noticed rule. As a result, Freudenberg believes concerns were greatly minimized. Medicaid Director Vermeer explained the rule and changes made.

A motion was made by Yoder to approve and seconded by Richardson. MOTION UNANIMOUSLY CARRIED.

4 Amendments to Chapters 78, 79, and 83, Medicaid. Implements Medicaid provider reimbursement rate increases in accordance with legislation.

Freudenberg said no comments were received from the public; however, revisions were made to the language regarding transportation, physical therapist, occupational therapist, and rehabilitation agencies. These revisions were made to reflect language in other rulemaking efforts.

A motion was made by Anderson to approve and seconded by Richardson. MOTION UNANIMOUSLY CARRIED.

5. Amendments to Chapter 79, Medicaid. Changes the reimbursement method for case management services under the Medicaid state plan, habilitation, home- and community-based services for individuals with a brain injury and the elderly.

Freudenberg said comments were received prior to the second version of the rule being written and changes were made. DHS staff have established a workgroup with case management providers to meet during the fall of 2013 to develop future rate methodologies.

A motion was made by Anderson to approve and seconded by Richardson.
MOTION UNANIMOUSLY CARRIED.

6. Amendments to Chapter 79, Medicaid. Changes the payment methodology for home-health services to the Medicare low utilization payment amount (LUPA) methodology with state geographic wage adjustment.

Freudenberg said no comments were received; however, a revision was made to the noticed rule.

A motion was made by Richardson to approve and seconded by Yoder.
MOTION UNANIMOUSLY CARRIED.

7. Amendments to Chapter 92, Medicaid. Implements policies regarding a suspension of enrollment in IowaCare.

Freudenberg said no comments were received and no revisions were made to the noticed rule.

A motion was made by Hansell to approve and seconded by Richardson.
MOTION UNANIMOUSLY CARRIED.

8. Amendments to Chapter 150, Child Welfare. Changes how supervised apartment living rates are established. Implements rate increases for providers of Child Welfare Emergency Services (CWES) shelters.

Freudenberg said no comments were received and no revisions were made to the noticed rule.

A motion was made by Hansell to approve and seconded by Anderson.
MOTION UNANIMOUSLY CARRIED.

9. Amendments to Chapter 156, Foster Family Care. Increases foster family daily reimbursement rate and adoption subsidy daily maintenance rates.

Freudenberg said no comments were received and no revisions were made to the noticed rule.

A motion was made by Hansell to approve and seconded by Richardson.
MOTION UNANIMOUSLY CARRIED.

10. Amendments to Chapter 156, Child Welfare. Increases the monthly maintenance rate and initial allowance for the Supervised Apartment Living (SAL) program.

Freudenberg said no comments were received and no revisions were made to the noticed rule.

A motion was made by Anderson to approve and seconded by Hansell.
MOTION UNANIMOUSLY CARRIED.

11. Amendments to Chapter 170, Child Care. Increases child care assistance provider rates.

Freudenberg said no comments were received and no revisions were made to the noticed rule.

A motion was made by Richardson to approve and seconded by Hansell.
MOTION UNANIMOUSLY CARRIED.

12. Amendments to Chapter 187, Child Welfare. Increases the youth stipend and provider rates for the Preparation for Adult Living (PAL) program.

Freudenberg said no comments were received and no revisions were made to the noticed rule.

A motion was made by Yoder to approve and seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

13. Amendments to Chapter 76, Medicaid. Rescinds and replaces Chapter 76 to support a major income maintenance system change as well as the Patient Protection and Affordable Care Act.

A motion was made by Richardson to approve and seconded by Yoder.
MOTION UNANIMOUSLY CARRIED.

14. Amendments to Chapters 76 and 80, Medicaid. Implements a technical change by moving 441--76.13 to 441—80.7. This amendment is filed simultaneously with an amendment to rescind and replace Chapter 76.

A motion was made by Hansell to approve and seconded by Richardson.
MOTION UNANIMOUSLY CARRIED.

15. Amendments to Chapters 77, 78, and 79, Medicaid. Changes payment methodology for home and community-based transportation to be the same as negotiated by the Medicaid non-emergency transportation broker.

Freudenberg said comments were received and a clarification to the rule was made.

A motion was made by Yoder to approve and seconded by Anderson. MOTION UNANIMOUSLY CARRIED.

16. Amendments to Chapter 92, Medicaid. Changes the payment methodology for federally qualified health centers (FQHC) from fee-for-service to an encounter payment.

Freudenberg said no comments were received and no revisions were made to the noticed rule.

A motion was made by Hansell to approve and seconded by Richardson. MOTION UNANIMOUSLY CARRIED.

Report of Noticed Action

N-1. Amendments to Chapters 28, 29, and 30, Facilities. Shifts county financial liability for payment from county of settlement to county of residence. Also creates a regional administrator system for facilities who perform Mental Health and Disability Services.

N-2. Amendments to Chapters 41 and 93, Family Investment Program (FIP) and PROMISE JOBS. Provides program clarifications and adds consistency to reporting requirements for FIP and PROMISE JOBS.

N-3. Amendments to Chapter 47, Family Self-Sufficiency Grants. Updates rules to match current practice for Family Self-Sufficiency Grants. Designates the Bureau of Refugee Services as a distinct area.

N-4. Amendments to Chapter 65, Food Assistance. Extends the demonstration project to allow for standard medical expense deduction to food assistance households eligible to claim medical expenses as a deduction.

N-5. Amendments to Chapters 74 and 88, Medicaid. Establishes the Iowa Health and Wellness Plan (IHAWP) for low-income persons between the ages of 19 and 64 who meet eligibility criteria.

N-6. Amendments to Chapter 75, Medicaid. Updates Chapter 75 to support implementation of the new Eligibility Integrated Application System (ELIAS) and changes to law under the Patient Protection and Affordable Care Act.

Council and staff discussed whether there is enough guidance/information from the federal government to proceed with the Affordable Care Act (ACA) regulations as there are still areas in the Iowa waivers that have not been finalized.

N-7. Amendments to Chapter 77, Medicaid. Deletes optional requirements for Medicaid respite providers to be licensed as daycare providers.

N-8. Amendments to Chapters 78 and 81, Medicaid. Amends rules to allow for payment of wheelchairs for Medicaid members who qualify in Nursing Facilities.

N-9. Amendments to Chapter 79, Medicaid. Provides additional disproportionate share payments to qualifying hospitals.

N-10. Amendments to Chapter 79, Medicaid. Rescinds rules requiring a reduction in payment for physician services rendered in facility settings, consistent with the Medicare program.

N-11. Amendments to Chapter 79, Medicaid. Brings Iowa Medicaid into compliance with the Patient Protection and Affordable Care Act.

N-12. Amendments to Chapter 79, Medicaid. Rescinds rules that were not approved by the Centers for Medicare and Medicaid Services (CMS) in a state plan amendment.

N-13. Amendments to Chapters 79 and 80, Medicaid. Clarifies the Department's policies regarding sanctions and adds detailed descriptions of actions that will cause sanctions to be imposed. Also clarifies that specific Medicaid debts are non-dischargeable in bankruptcy proceedings.

N-14. Amendments to Chapters 172, 175, and 186, Child Welfare. Establishes a new assessment process for reports that constitute child abuse.

N-15. Notice of Termination of rulemaking published in the Iowa Administrative Bulletin as ARC 0888C on July 24, 2013. These amendments were intended to transition the provision of services provided by individual providers of personal care under the consumer-directed attendant care option to agency-provided personal care services and retain the consumer choice option for those individuals able and desiring to self-direct services.

Council did not take action as the rule was terminated.

A motion was made by Yoder to accept the Report of Noticed Action and seconded by Anderson. MOTION UNANIMOUSLY CARRIED.

COUNCIL PLANNING

Follow-up to earlier Council questions were answered during this portion of the meeting. Council also revisited each of the twenty-seven appropriation requests and decision packages.

Director Palmer spoke to Decision Package 19 (ACA Woodwork/Welcome Mat Effect) under the Medical Assistance appropriation. He said his recommendation is to not put a state cost into the budget today as the basis for the number, at this point in time, is an actuarial projection. His preference would be to acknowledge

there is a woodwork effect and state the range that Milliman is estimating in the letter to the Governor that accompanies the budget. Then between now and the first of December, DHS staff will try to get a better estimate based on actual experience on initial enrollment and project the cost from there.

Council and staff also discussed the process they would use to vote.

FY 2014-15 VOTING

The following is a breakdown of the voting for the FY 2015 budget. The following Council members were present for voting: Anderson, Hansell, Honkamp, Richardson, Peltan and Yoder. Spading was absent.

IMPROVE IOWANS' HEALTH STATUS

Medical Assistance

A motion was made by Richardson to approve current service level and decision packages (DP) 1 through 18 for medical assistance recognizing that the Director will provide an updated estimate for woodwork effect to the Department of Management later this calendar year (exclude DP 19 – woodwork effect). The motion was seconded by Anderson. MOTION UNANIMOUSLY CARRIED.

Medical Contracts

A motion was made by Anderson to approve current service level and DP 1-4. The motion was seconded by Richardson. MOTION UNANIMOUSLY CARRIED.

Children's Health Insurance Program

A motion was made by Richardson to approve current service level and DP 1-5 for CHIP recognizing that the Director will provide an updated estimate for woodwork effect to the Department of Management later this calendar year (exclude DP 6 – woodwork effect). The motion was seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

Iowa Health and Wellness Plan

As the funding for this appropriation is 100% federal share, voting was not required.

State Supplementary Assistance

A motion was made by Anderson to approve current service level and DP 1. The motion was seconded by Yoder. MOTION UNANIMOUSLY CARRIED.

PROMOTE IOWANS' BEHAVIORAL & DISABILITIES HEALTH STATUS

**Cherokee Mental Health Institute
Clarinda Mental Health Institute
Independence Mental Health Institute
Mt. Pleasant Mental Health Institute**

A motion was made by Yoder to approve current service level and all decision packages for the mental health institutes. The motion was seconded by Richardson. MOTION UNANIMOUSLY CARRIED.

Glenwood Resource Center

A motion was made by Anderson to approve current service level and DP 1-3 and seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

Woodward Resource Center

A motion was made by Hansell to approve current service level and DP 1-3 and seconded by Richardson. MOTION UNANIMOUSLY CARRIED.

Conner Training

A motion was made by Hansell to approve current service level and seconded by Yoder. MOTION UNANIMOUSLY CARRIED.

Civil Commitment Unit for Sexual Offenders

A motion was made by Anderson to approve current service level and DP 1-2. The motion was seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

State Payment Program

As the funding for this appropriation is identified from the Social Services Block Grant and voting on this will occur in other appropriation requests, voting was not required.

IMPROVE SAFETY, WELL-BEING AND PERMANENCY FOR IOWA'S CHILDREN

Child Abuse Prevention

A motion was made by Anderson to approve current service level and seconded by Richardson. MOTION UNANIMOUSLY CARRIED.

Adoption Subsidy

A motion was made by Anderson to approve current service level and DP 1-6 and seconded by Yoder. MOTION UNANIMOUSLY CARRIED.

Child and Family Services

A motion was made by Hansell to approve current service level and DP 1-4 and seconded by Richardson. MOTION UNANIMOUSLY CARRIED.

Eldora State Training School

A motion was made by Anderson to approve current service level and DP 1-2. The motion was seconded by Yoder. MOTION UNANIMOUSLY CARRIED.

Iowa Juvenile Home/State Training School for Girls

A motion was made by Anderson to approve current service level and DP 1 and seconded by Richardson. MOTION UNANIMOUSLY CARRIED.

Family Support Subsidy

A motion was made by Yoder to approve current service level and DP 1-3 and seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

IMPROVE IOWANS' EMPLOYMENT AND ECONOMIC SECURITY

Family Investment Program

A motion was made by Anderson to approve current service level and DP 1-8. The motion was seconded by Yoder. MOTION UNANIMOUSLY CARRIED.

Child Care Assistance

A motion was made by Richardson to approve current service level and DP 1-9. The motion was seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

Child Support Recovery

A motion was made by Richardson to approve current service level and DP 1-2. The motion was seconded by Anderson. MOTION UNANIMOUSLY CARRIED.

EFFECTIVELY MANAGE RESOURCES

Field Operations

A motion was made by Anderson to approve current service level and DP 1-4. The motion was seconded by Richardson. MOTION UNANIMOUSLY CARRIED.

General Administration

A motion was made by Anderson to approve current service level and DP 1-3 and seconded by Yoder. MOTION UNANIMOUSLY CARRIED.

Volunteers

A motion was made by Richardson to approve current service level and seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

ALLOCATION OF SPECIFIC FEDERAL AND STATE FUNDS

Temporary Assistance for Needy Families (TANF) Social Services Block Grant (SSBG) Other State Funds

A motion was made by Anderson to approve the proposed SFY 2015 budget including state and general funding, federal funding, and other funding including TANF, SSBG, the Health Care Trust Fund, and all other sources of funding identified in the DHS budget request document. The motion was seconded by Yoder. MOTION UNANIMOUSLY CARRIED.

A motion was made by Anderson to allow the Department to make adjustments, including federal match rate changes, necessary to the Council's SFY 2015 budget recommendations. The motion was seconded by Richardson. MOTION UNANIMOUSLY CARRIED.

Chair Peltan thanked all DHS staff involved with budget development and the clarification they provided at the meeting. Peltan also thanked Council members for their service.

Director Palmer thanked staff for the quality of work put forth in developing the budget and thanked Council for their thoughtful deliberations. Palmer also suggested that if any Council member had a specific area of interest in the agency's programs and would like to be more fully engaged to let him know as he has a high level of respect for members of the Council. He believes they are thoughtful, very balanced at how they arrive at decisions, and encourages them to become more engaged.

Hansell voiced concern regarding the pressure on staff with the huge programmatic changes coming. She would be interested in further information from Director Palmer regarding the Department's strengths and adequacy of staffing. Peltan suggested before the next budget deliberations by Council that this issue be an agenda item.

Council also discussed the specific items they would like included in the Governor's letter that will accompany their budget: 1) recognize there will be a woodwork effect for medical assistance and CHIP/*hawk-i* but an exact estimate provided at the time of the budget submission would be highly speculative. Therefore, DHS staff will assess the woodwork impact again in December; 2) Council plans to continue to look for more efficient delivery systems for the mental health populations at both the mental health institutes as well as the resource centers. The letter to the Governor will be drafted by staff then shared with Council members for their input.

APPROVAL OF MINUTES

A motion was made by Anderson to approve the August 14, 2013, minutes and seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

Lorrie Tritch, Chief Information Officer, provided an update to members on the secure email encryption transition. She explained under the new system, that will be totally completed by September 30, they will be required to have an account with the state's shared logon services to receive an email containing confidential material. Tritch provided further information to Council regarding the creation of the account. If Council members have any problems in opening email after the new system is implemented, they were instructed to contact DHS staff for assistance.

COUNCIL MEMBERS' UPDATE

Yoder informed members that she completed her Master's Degree. The last class was public policy and was excellent in terms of providing the historical background in funding and policy for human services.

Peltan said Broadlawns Medical Center staff have requested the Council visit their facility in the near future. It was suggested that it may be better for entities to visit the Council at their meetings.

As a result of budget discussions Council requested the following information.

- Future agenda item on Prison Rape Elimination Act (PREA) – Hansell
- Future agenda item comparing differences in per diems at institutions and resource centers Peltan

- Future agenda item regarding juvenile court services/differential response
- Future agenda item regarding Pre-admission Screening and Resident Review (PASRR) – Peltan
- Future agenda item regarding reimbursement method for case management services under the Medicaid plan
- Elias Demonstration
- Environmental Scan of Agency by Director Palmer – Hansell
- Eligibility Groups for Medicaid – Hansell
- Readmissions for 4 MHIs within last two years --Hansell
- Past mental health studies on institutions – Peltan
- Information on multi-disciplinary team in Dubuque – Honkamp
- Children at Home Program -- Yoder
- Definition of special needs child -- Peltan

Director Palmer informed Council that there has been a review by the State Ombudsman regarding an incident that occurred in a day care center three years ago. There will likely be media coverage. Specifics of the incident were not discussed as the report has not been released.

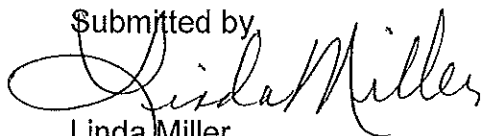
NEXT MEETING

The next meeting of the Council on Human Services will be Wednesday, October 9th at Mt. Pleasant Mental Health Institute.

A motion was made by Anderson to adjourn and seconded by Richardson.
MOTION UNANIMOUSLY CARRIED.

Council adjourned at 12:20 p.m.

Submitted by



Linda Miller
Recording Secretary

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